



[6705-01-P]

FARM CREDIT ADMINISTRATION

12 CFR Part 652

RIN 3052-AC83

Federal Agricultural Mortgage Corporation Funding and

Fiscal Affairs; Farmer Mac Liquidity Management

ACTION: Proposed rule; reopening of comment period.

SUMMARY: The Farm Credit Administration (FCA) Board reopens the comment period for 30 days on the proposed rule that would amend its liquidity management regulations for the Federal Agricultural Mortgage Corporation (Farmer Mac). Reopening the comment period will afford interested parties a new opportunity to comment on the proposed liquidity regulations.

DATES: Please send your comments to us on or before [Insert date 30 days after publication in the Federal Register].

ADDRESSES: We offer a variety of methods for you to submit comments on this proposed rule. For accuracy and efficiency reasons, commenters are encouraged to submit comments by e-mail or through the Agency's Web site. As facsimiles (fax) are difficult for us to process and achieve compliance with section 508 of the Rehabilitation

Act, we are no longer accepting comments submitted by fax. Regardless of the method you use, please do not submit your comment multiple times via different methods. You may submit comments by any of the following methods:

- E-mail: Send us an e-mail at reg-comm@fca.gov.
- FCA Web site: <http://www.fca.gov>. Select "Public Commenters," then "Public Comments," and follow the directions for "Submitting a Comment."
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Mail: Laurie A. Rea, Director, Office of Secondary Market Oversight, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090.

You may review copies of all comments we receive at our office in McLean, Virginia, or on our Web site at <http://www.fca.gov>. Once you are in the Web site, select "Public Commenters," then "Public Comments," and follow the directions for "Reading Submitted Public Comments." We will show your comments as submitted, but for technical reasons we may omit items such as logos and special characters. Identifying information that you provide, such as phone numbers and addresses, will be publicly available.

However, we will attempt to remove e-mail addresses to help reduce Internet spam.

FOR FURTHER INFORMATION CONTACT:

Joseph T. Connor, Associate Director for Policy and Analysis, Office of Secondary Market Oversight, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4280, TTY (703) 883-4434;

or

Richard Katz, Senior Counsel, Office of the General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020, TTY (703) 883-4020.

SUPPLEMENTARY INFORMATION: On November 18, 2011, we published a notice of proposed rulemaking to revise Farmer Mac's non-program investment and liquidity requirements.¹ The 60-day comment period ended on January 17, 2012. The proposed rulemaking covered several topics. The FCA decided to finalize several of the proposed regulations separately in different phases of this rulemaking.² This phase of the rulemaking focuses on Farmer Mac's liquidity by addressing four definitions in § 652.5,³ liquidity management in § 652.35, and the liquidity reserve and the supplemental liquidity buffer in § 652.40.

¹ 76 FR 71798 (Nov. 18, 2011).

² On November 5, 2012, the FCA enacted final regulations governing investment management at Farmer Mac. This final rule amended §§ 652.10, 652.15, 652.25, 652.30, and 652.45. See 77 FR 66375. In a later phase of this rulemaking, we plan to enact a final rule pertaining to eligible investments that Farmer Mac may purchase and hold.

³ The four definitions pertaining to liquidity are "Cash," "Contingency Funding Plan," "Liquidity Maturity Management Plan," and "Liquidity reserve."

We received a letter dated April 17, 2013 from Farmer Mac that asked us to reopen the comment period for 30 days on proposed § 652.40. Farmer Mac informed us that after the final investment management rule became effective, it "commenced an evaluation and rebalancing of its investment portfolio in the context of the proposed liquidity requirements" set forth in proposed § 652.40. Farmer Mac believes that this evaluation process exposed possible concerns regarding the liquidity requirements in the proposed regulation, which in its opinion, may merit further consideration by the FCA before a final rule is enacted.

In response to this request, we are reopening the comment period for all of the above-referenced liquidity regulations for an additional 30 days. Based on the circumstances that Farmer Mac identified in its April 17, 2013 letter, reopening the comment period ensures the transparency and fairness of the rulemaking process in accordance with the requirements of the Administrative Procedure Act. In addition, because the proposed rule would increase Farmer Mac's minimum liquidity reserve requirement from 60 days to 90 days, FCA believes it is important to receive thorough comment on the impact of the proposal. The FCA invites all interested parties to

provide additional comments about proposed §§ 652.35 and 652.40, and the four liquidity-related definitions in proposed § 652.5.

Dated: May 1, 2013. _____
Dale L. Aultman,
Secretary,
Farm Credit Administration Board.

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